

FISCAL NOTE

HB 3129 - SB 3105

February 15, 2002

SUMMARY OF BILL:

- Creates the Tourism Resources Act.
- Creates a special agency account to be known as the "state parks operation, maintenance and acquisition account." The account would be administered by the division of parks exclusively for operation, maintenance and acquisition of state parks.
- Creates a special agency account to be known as the "tourism development account." The account would be administered by the department of tourism exclusively for programs and activities to promote and enhance Tennessee tourism.
- Increases the gasoline tax by 1 cent per gallon, effective July 1, 2002.
- Increases the diesel fuel tax by 1 cent per gallon, effective July 1, 2002.
- Revenues generated from the rate increases would be allocated to the state parks operation, maintenance and acquisition account and the tourism development account using the formula outlined annually in the general appropriations act. If no formula is outlined in the general appropriations act, the revenue generated must be divided equally between the two funds.

ESTIMATED FISCAL IMPACT:

**Increase State Revenues - \$37,785,315/Earmarked for the State Parks
Operation, Maintenance and Acquisition
Account, and the Tourism Development Account**

Increase State Expenditures - \$44,000 One-Time

Estimate assumes the following:

- A 1-cent increase in the gasoline tax is estimated to generate approximately \$29,159,550 in revenue for FY02-02.
- A 1-cent increase in the diesel tax is estimated to generate approximately \$8,625,765 in revenue for FY02-03.
- Estimates are developed using funding board estimates and averaging the estimate between Dr. Fox and Fiscal Review Committee.
- A one-time increase in state expenditures of \$44,000 for MIS system modification costs in the Department of Revenue.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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